

PROPERTY WATCH®

First Quarter 2011

Bankstown LGA

IN BRIEF

- Over the year to September 2010 the median house price for the Bankstown LGA increased by 13.3% to \$510,000.
- Unit median price increased 10.2% to register \$325,000 in September 2010.
- The suburb of Padstow Heights registered a 17% growth in the year to September 2010, to register a median house price of \$526,500.

Scope

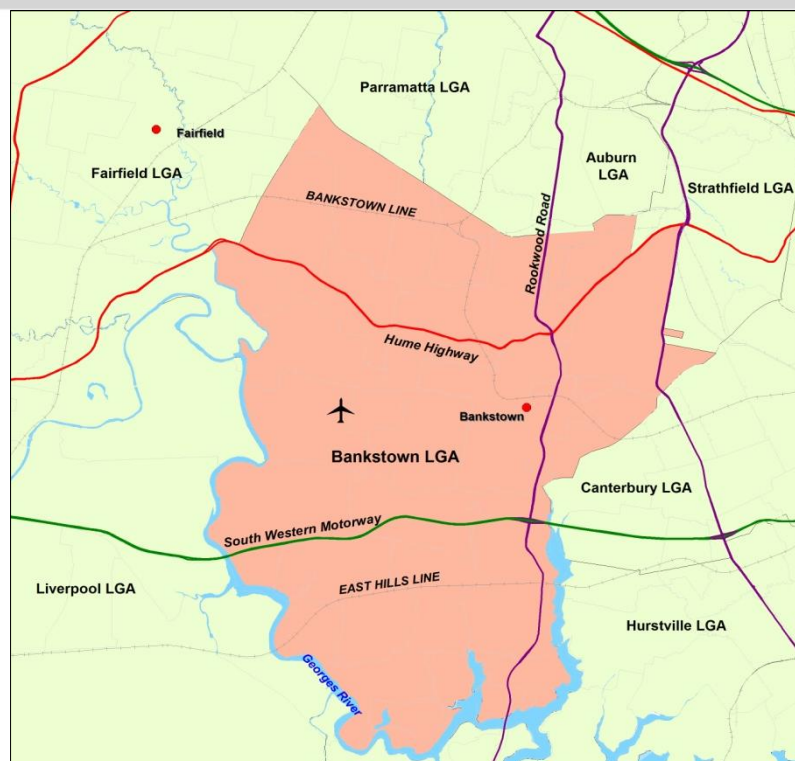
This report analyses the Bankstown Local Government Area (LGA). It highlights the region's characteristics and demographics, as well as the performance of the house and unit markets in the area.

Area Characteristics

The Bankstown LGA is a major economic centre within the Southwest Sydney region. Bordered by the Georges River and the Local Government Areas of Canterbury, Auburn, Parramatta and Fairfield, the region is known for its multicultural population. Arterial roads such as the M5 Motorway and the Hume Highway cross the LGA, creating convenient links to the Sydney CBD and neighboring town centres. The two major rail lines servicing the area are the Bankstown Line and the East Hills Line which runs between Macarthur and the Sydney CBD via the International Airport. The Bankstown Airport allows direct access to many of Australia's regional centres. Educational institutions are found in the University of Western Sydney's Bankstown Campus as well as a number of TAFE and senior colleges located in and around the Bankstown CBD. The LGA has 730 hectares of public parks within its city limits, with 41 sports grounds, 12 community parks and 18 natural parklands. A large number of manufacturing businesses set out their operations in the LGA and are spread over the region's three major industrial areas of Revesby, Milperra and Chullora.

Demographic Snapshot

As at June 2009 the estimated population of the Bankstown LGA was 186,108 residents, representing an increase of 2.2 per cent from the June 2008 figure of 182,178. The LGA has a relatively young population, with 22 per cent of residents under 15 years of age and only 14 per cent over 65 years of age, leading to a median age of 35 years. The latest Census figures suggest that many families choose to live in the LGA. Nuclear families represent 53 per cent of the families, while the remaining 47 per cent is made up of single parent families and couples without children. Separate houses represent the popular choice of accommodation in the region equating to 73 per cent of dwellings, while unit type accommodation makes up 27 per cent of dwellings. This is in contrast to the suburb of Bankstown where units and townhouses represent 65 per cent of all dwellings. The suburb forms a large rental market within the LGA, with 46 per cent of dwelling being rented, compared with only 30 per cent of dwellings in the Bankstown LGA.



Demographic Snapshot	Bankstown	Bankstown LGA
Population 2009	29,993	186,108
Population 2008	29,300	182,178
Population growth rate 2008 to 2009	2.4%	2.2%
Proportion of people aged 65 years and over	10%	14%
Proportion of people aged 15 years and younger	24%	22%
Median age	31	35
Median weekly household income	\$762	\$926
Median weekly individual income	\$324	\$372
Average number of people per household	2.9	3

Prepared by PRDNationwide Research. Source: ABS

Top Performing Suburbs* – Six Months to Sep. 2010

Suburb	Number of Transactions	Median Price	Twelve Month Growth	Five Year Annual Growth
Padstow Heights	23	\$526,500	17.0%	4.5%
Bankstown	41	\$545,000	14.1%	4.3%
Milperra	34	\$555,000	12.7%	3.2%
Revesby Heights	53	\$457,000	11.7%	2.8%
Panania	23	\$625,000	11.6%	2.4%

*Minimum of 23 house sales for the September six month period.
Prepared by PRDNationwide Research. Source: PDS Live

Median Weekly Rents – September 2010

LGA	3 Bedroom House	One Year Rental Growth	2 Bedroom Unit	One Year Rental Growth
Bankstown LGA	\$415	9.2%	\$350	9.4%
Sydney SD	\$390	8.3%	\$430	7.5%

Prepared by PRDNationwide Research. Source: NSW Housing

Rental Market

House rental prices in the Bankstown LGA increased 9.2 per cent in the 12 months to September 2010 to record a median weekly rent of \$415 for a three bedroom house. The unit median rent climbed in line with house rent to record a median of \$350 per week for a two bedroom unit, representing an annual increase of 9.4 per cent. The median unit rent in the LGA was 19 per cent lower than that of the Sydney Statistical Division, suggesting there are opportunities for renters seeking affordable accommodation.

House Market

The house market in the Bankstown LGA experienced a decrease in the median house price between 2005 to 2008, in line with the rest of the Sydney market, but showed only a minimal impact by the Global Financial Crisis that unfolded in 2008. A price correction took place in 2009 in response to the Government Stimulus Package and improving economic conditions. In the past year the region experienced a 13.3 per cent price growth to register a median house price of \$510,000 in September 2010. However, median price growth over five years stood on a more stable 3.5 per cent per annum. This median is considered affordable when compared to the Sydney Metropolitan Area's median house price of \$582,000. House sales activity dropped significantly in 2010 to record a total of 1,039 transactions over the September 2010 half year. This represents a 31 per cent decrease in activity from the corresponding period in 2009, where 1,495 transactions were recorded. The price point chart shows that most sales took place in the \$450,000 to \$499,999 and \$500,000 to \$549,999 price brackets, together making up 40 per cent of house sales for the six months to September 2010. The chart also suggests that 88 houses, or eight per cent of the total house stock sold above \$700,000. The most active suburb for the six months to September 2010 was Greenacre registering 111 sales, followed by Yagoona registering 91 transactions. Padstow Heights had one of the highest median unit price growth in the region. It registered a median price of \$526,500 in September 2010, an increase of 17 per cent from the September 2009 figure and a five year growth rate of 4.5 per cent per annum.

PRDnationwide Research conducted a resale analysis for house sales over the six months to September 2010. The analysis revealed that an average annual capital appreciation of 5.9 per cent per annum was achieved for the LGA, with an average holding period of 5.4 years.

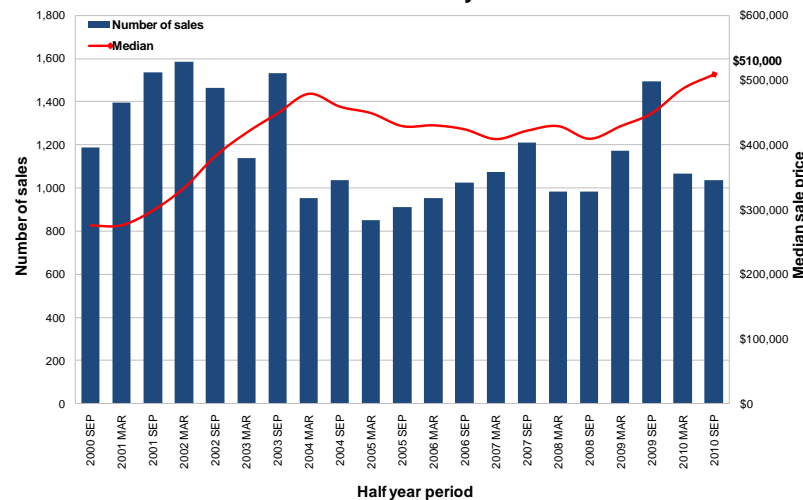
Unit Market

As with the house market, units experienced a solid increase in the median price since the lows registered in December 2008. Over the year to September 2010, the median unit price increased 10.2 per cent to register \$325,000. Sales activity softened in the six months to September 2010 to record 689 transactions, representing a 42 per cent decline in activity from the corresponding period in 2009. A price point analysis indicates that most sales took place in the \$300,000 to \$349,999 price bracket, making up 31 per cent of unit sales for the six months to September 2010. The chart also suggests that 57 units, or eight per cent of the total stock sold above \$500,000.

Prepared by PRDnationwide Research. Source: PDS Live, RP Data and the ABS. For further details contact: Oded Reuveni Etzioni, Research Analyst Ph: (02) 9257 0254 or Email: OdedEtzioni@prd.com.au or visit our website at www.prdnationwide.com.au/research.

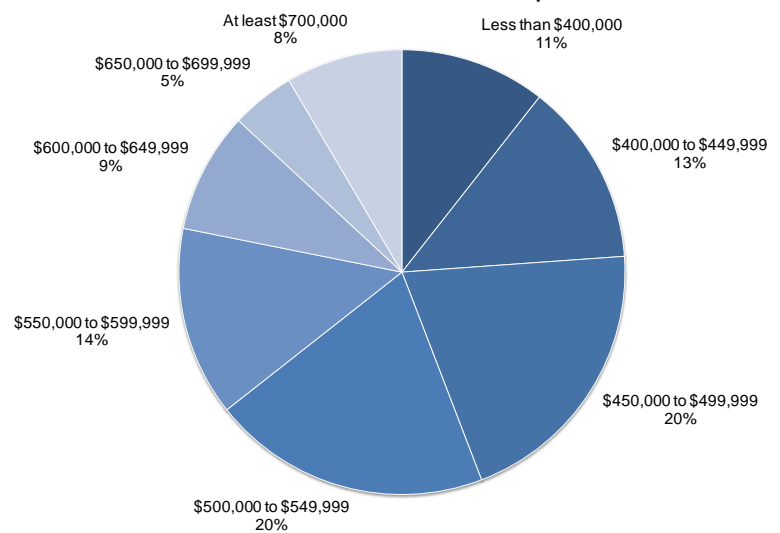
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Bankstown LGA – House Sales Cycle



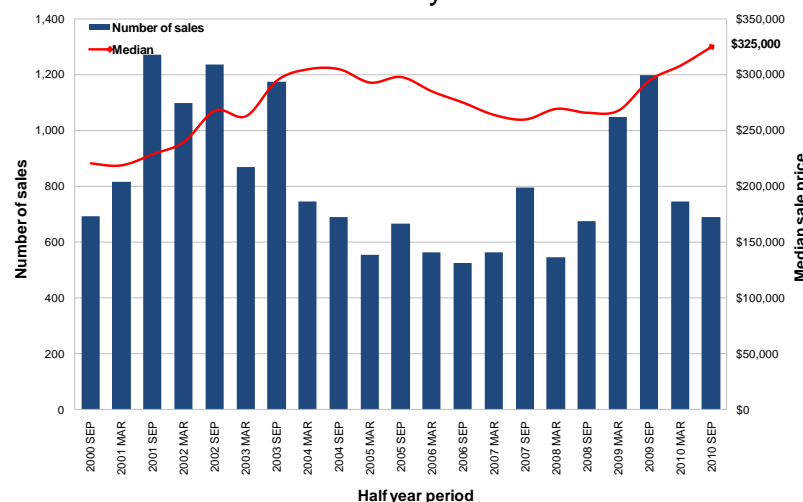
Prepared by PRDnationwide Research. Source: PDS Live

House Price Points - Six Months to September 2010



Prepared by PRDnationwide Research. Source: PDS Live

Bankstown LGA – Unit Sales Cycle



Prepared by PRDnationwide Research. Source: PDS Live